

STATE OF CALIFORNIA

DEPARTMENT OF MANAGED HEALTH CARE

HEALTH CARE SERVICE PLAN

MONTHLY FINANCIAL REPORTING FORM




		1
1.	FOR THE MONTH ENDING:	January 31, 2002
2.	Name:	WATTSHHealth Foundation, Inc.
3.	File Number:(Enter last three digits) 933-0	008
4.	Date Incorporated or Organized:	May 1, 1973
5.	Date Licensed as a HCSP:	October 30, 1978
6.	Date Federally Qualified as a HCSP:	November 8, 1982
7.	Date Commenced Operation:	February 16, 1967
8.	Mailing Address:	3405 West Imperial Hwy., Inglewood, CA 90303
9.	Address of Main Administrative Office:	3405 West Imperial Hwy., Inglewood, CA 90303
10.	Telephone Number:	(310) 671-3465
11.	HCSP's ID Number:	95-2623688
12.	Principal Location of Books and Records:	3405 West Imperial Hwy., Inglewood, CA 90303
13.	Plan Contact Person and Phone Number:	Franklin B. Stevens (310) 671-3465 ext. 3301
14.	Financial Reporting Contact Person and Phone Number:	Greg Hamblin (310) 671-3465 ext. 3409
15.	President:*	Jennifer Spalding
16.	Secretary:*	
17.	Chief Financial Officer:*	Greg Hamblin, Interim
18.	Other Officers:*	Franklin B. Stevens, Conservator
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22.	Directors:*	Franklin B. Stevens, Conservator
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The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	Jennifer Spalding (1)
33. Secretary	Sign
34. Chief Financial Officer	Greg Hamblin (2)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. If this is a revised filing, check here: <input type="checkbox"/>	
36. If all dollar amounts are reported in thousands (000), check here <input type="checkbox"/>	
<div>Check My Work.</div>	

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

MONTHLY FINANCIAL REPORTING FORM
SUPPLEMENTAL INFORMATION

		1	
1.	Are footnote disclosures attached with this filing?	No	
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No	
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	Yes	

STATEMENT AS OF 1-31-2002 OF 933-0008 WATTSHHealth Foundation, Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	8,005,000
2. Short-Term Investments	19,893,000
3. Premiums Receivable - Net	10,582,000
4. Interest Receivable	4,000
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	6,140,000
7. Prepaid Expenses	2,517,000
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	12,912,000
10. Aggregate Write-Ins for Current Assets	145,000
11. TOTAL CURRENT ASSETS (Itemms 1 to 10)	60,198,000
OTHER ASSETS:	
12. Restricted Assets	700,000
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	3,522,000
18. TOTAL OTHER ASSETS (Items 12 to 18)	4,222,000
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	7,911,000
20. Furniture and Equipment - Net	2,198,000
21. Computer Equipment - Net	318,000
22. Leasehold Improvements -Net	7,000
23. Construction in Progress	181,000
24. Software Development Costs	9,204,000
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	19,819,000
27. TOTAL ASSETS	84,239,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Inventory	145,000
1002.	
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	145,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Non-operating Property	177,000
1702. Other Assets and Miscellaneous Deposits	3,345,000
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	3,522,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 1-31-2002 OF 933-0008 WATTSHHealth Foundation, Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	3,800,000	XXX	3,800,000
2. Capitation Payable	3,059,000	XXX	3,059,000
3. Claims Payable (Reported)		6,963,000	6,963,000
4. Incurred But Not Reported Claims		51,712,000	51,712,000
5. POS Claims Payable (Reported)		0	0
6. POS Incurred But Not Reported Claims		0	0
7. Other Medical Liability	9,685,000		9,685,000
8. Unearned Premiums	1,042,000	XXX	1,042,000
9. Loans and Notes Payable	1,259,000	XXX	1,259,000
10. Amounts Due To Affiliates - Current	1,082,000	XXX	1,082,000
11. Aggregate Write-Ins for Current Liabilities	4,192,000	0	4,192,000
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	24,119,000	58,675,000	82,794,000
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)	3,782,000	XXX	3,782,000
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 18)	3,782,000	XXX	3,782,000
19. TOTAL LIABILITIES	27,901,000	58,675,000	86,576,000
NET WORTH			
20. Common Stock	XXX	XXX	
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	-2,501,000
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	164,000
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	-2,337,000
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	84,239,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Accrued Payroll and Fringe Benefits	2,428,000		2,428,000
1102. Accrued Sick and Vacation	1,735,000		1,735,000
1103. Accrued Interest and Other Payments	29,000		29,000
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	4,192,000	0	4,192,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501. Unrealized Gain(Loss) in Investments	XXX	XXX	164,000
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	164,000

STATEMENT AS OF 1-31-2002 OF 933-0008 WATTSHHealth Foundation, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	1,232,000	
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare	8,902,000	
5. Title XIX - Medicaid	9,038,000	
6. Fee-For-Service	93,000	
7. Point-Of-Service (POS)		
8. Interest	69,000	
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	1,248,000	0
11. TOTAL REVENUE (Items 1 to 10)	20,582,000	0
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated	929,000	
13. Inpatient Services - Per Diem	5,960,000	
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	3,678,000	
16. Primary Professional Services - Non-Capitated		
17. Other Medical Professional Services - Capitated	2,160,000	
18. Other Medical Professional Services - Non-Capitated	1,421,000	
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service	1,359,000	
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	2,186,000	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	17,693,000	0
Administration		
25. Compensation	687,000	
26. Interest Expense	28,000	
27. Occupancy, Depreciation and Amortization	449,000	
28. Management Fees	228,000	
29. Marketing	776,000	
30. Affiliate Administration Services		
31. Aggregate Write-Ins for Other Administration	778,000	0
32. TOTAL ADMINISTRATION (Items 25 to 31)	2,946,000	0
33. TOTAL EXPENSES	20,639,000	0
34. INCOME (LOSS)	-57,000	0
35. Extraordinary Item		
36. Provision for Taxes		
37. NET INCOME (LOSS)	-57,000	0
NET WORTH:		
38. Net Worth Beginning of Period	1,171,000	
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	-57,000	0
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	-3,451,000	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	-2,337,000	0

STATEMENT AS OF 1-31-2002 OF 933-0008 WATTSHHealth Foundation, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Grants and Contracts	1,226,000	
1002. Other Revenue	22,000	
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	1,248,000	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. Other Line of Business Medical Costs	1,624,000	
2302. Other Medical Costs of the Plan	257,000	
2303. Community Health Programs Facility Costs (Occupancy, Depreciation and Amortization)	164,000	
2304. Incentive Pool	110,000	
2305. Reinsurance Expenses	31,000	
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	2,186,000	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Community Health Programs	391,000	
3102. Consulting & Contracting Services	161,000	
3103. Postage, Fees, Travel, Telephone, Insurance and Other	226,000	
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	778,000	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801. Unrealized Gain(Loss) in Investments	3,000	
4802. Post-closing adjustment - Loss on Impairment of Fixed Assets	-4,118,000	
4803. Post-closing adjustment - Policy Change Sick Accrual	772,000	
4804. Post-closing adjustment - Various Others	-108,000	
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	-3,451,000	0

REPORT #3: STATEMENT OF CASH FLOWS (Direct Method)

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation		
2. Fee-For-Service	N/A	
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues		
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses		
8. Administration Expenses		
9. Federal Income Taxes Paid		
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	0	0
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments		
17. Payments for Property, Plant and Equipment		
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	0	0
28. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
29. CASH AND CASH EQUIVALENTS AT END OF PERIOD	0	0
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	-57,000	0
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization		
32. Decrease (Increase) in Receivables		
33. Decrease (Increase) in Prepaid Expenses		
34. Decrease (Increase) in Affiliate Receivables		
35. Increase (Decrease) in Accounts Payable		
36. Increase (Decrease) in Claims Payable and Shared Risk Pool		
37. Increase (Decrease) in Unearned Premium		
38. Aggregate Write-Ins for Adjustments to Net Income	0	0
39. TOTAL ADJUSTMENTS (Items 31 through 38)	0	0
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	-57,000	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801.		
3802.		
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

	1	2
	Current Period	Year-to-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Net Income (Loss)	-57,000	0
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
2. Depreciation and Amortization	411,000	
3. Unrealized Gains/Losses on Equity Securities		
4. Gain/Loss on Sale of Assets		
5. Deferred Income Taxes		
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) Decrease in Operating Assets:		
6. Receivables	-8,825,000	
7. Prepaid Expenses	196,000	
8. Affiliate Receivables	-17,000	
9. Aggregate write-ins for (increase) decrease in operating assets	-52,000	0
Increase (Decrease) in Operating Liabilities:		
10. Trade Accounts Payable	702,000	
11. Capitation Payable	-35,000	
12. Claims Payable and IBNR	522,000	
13. Other Medical Liability	452,000	
14. Unearned Premiums	-8,111,000	
15. Affiliate Payables	-3,000	
16. Aggregate write-ins for increase (decrease) in operating liabilities	-308,000	0
17. NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	-15,125,000	0
CASH FLOW FROM INVESTING ACTIVITIES		
18. Proceeds from Restricted Cash and Other Assets		
19. Proceeds from Investments		
20. Proceeds for Sales of Property, Plant, and Equipment		
21. Payments for Restricted Cash and Other Assets		
22. Payments for Investments	-1,068,000	
23. Payments for Property, Plant, and Equipment	-1,000	
24. Aggregate write-ins for cash flow provided by investing activities	3,000	0
25. NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	-1,066,000	0
CASH FLOW FROM FINANCING ACTIVITIES		
26. Proceeds from Paid-in-Capital or Issuance of Stock		
27. Loan Proceeds from Non-Affiliates		
28. Loan Proceeds from Affiliates		
29. Principal Payments on Loans from Non-Affiliates	-108,000	
30. Principal Payments on Loans from Affiliates		
31. Dividends Paid		
32. Principal Payments under lease obligations		
33. Aggregate write-ins for cash flow provided by financing activities	0	0
34. NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	-108,000	0
35. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-16,299,000	0
36. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	24,304,000	
37. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8,005,000	0

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 9 FOR (INCREASE) DECREASE IN OPERATING ASSETS		
901. Inventories	4,000	
902. Miscellaneous Deposits and Other	-56,000	
903.		
998. Summary of remaining write-ins for Item 9 from overflow page		
999. TOTALS (Items 901 thru 903 plus 998)	-52,000	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR INCREASE (DECREASE) IN OPERATING LIABILITIES		
1601. Accrued Payroll and Benefits	115,000	
1602. Accrued Sick and Vacation	-438,000	
1603. Interest Payable	15,000	
1698. Summary of remaining write-ins for Item 16 from overflow page		
1699. TOTALS (Items 1601 thru 1603 plus 1698)	-308,000	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 24 FOR CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
2401. Unrealized Gain(Loss) in Investments	3,000	
2402.		
2403.		
2498. Summary of remaining write-ins for Item 24 from overflow page		
2499. TOTALS (Items 2401 thru 2403 plus 2498)	3,000	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 33 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
3301.		
3302.		
3303.		
3398. Summary of remaining write-ins for Item 33 from overflow page		
3399. TOTALS (Items 3301 thru 3303 plus 3398)	0	0

REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT											
1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	7,553	526	147	7,932	7,932	0	0	0	0	0	0
2. Medicare Risk	12,365	2,304	269	14,400	14,400	0	0	0	0	0	0
3. Medi-Cal Risk	89,138	4,284	2,011	91,411	91,411	0	0	0	0	0	0
4. Individual	1,532	17	14	1,535	1,535	0	0	0	0	0	0
5. Point of Service	0			0	0			0		#DIV/0!	
6. Aggregate write-ins for Other	3,174	122	139	3,157	3,157	0	0	0	0	0	
7. Total Membership	113,762	7,253	2,580	118,435	118,435	0	0	0	0	0	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. AIM	1,182	28	70	1,140	1,140	0	0		0	0	0
602. Health Families	1,992	94	69	2,017	2,017	0	0		0	0	0
603.				0	0					#DIV/0!	
Summary of remaining write-ins for 698. Item 6 from overflow page				0	0					#VALUE!	
Totals (lines 601 through 603 plus 699. 698) (Line 6 above)	3,174	122	139	3,157	3,157	0	0	0	0	0	

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NOTES TO FINANCIAL STATEMENTS	
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OVERFLOW PAGE FOR WRITE-INS		
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4.	Affiliate Account Balances	
5.	TNE Calculation Line 3	
6.		
7.		
8.	Current Receivables:	
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10.	Due from HPM	40-13615 1,750,209
11.	Due from WHS	40-13620 6,739,043
12.	Interest due from WHS	40-19130 1,422,921
13.	Due from WHS (purchase of WHFS)	40-13972 3,000,000
14.	Total Affiliate Receivables Current:	12,912,173
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17.	Current Payables:	
18.		
19.	Due to WATTSHHealth Charities	40-25125 1,021,889
20.	Due to Vulnerable Population	40-25130 60,175
21.	Total Affiliate Payables Current:	1,082,064
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STATEMENT AS OF 1-31-2002 OF 933-0008 WATTHealth Foundation, Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06 AND 1300.84.2

		1			2
1.	Net Equity			\$	1,105,000
2.	Add: Subordinated Debt			\$	0
3.	Less: Receivables from officers, directors, and affiliates			\$	-12,912,000
4.	Intangibles			\$	0
5.	Tangible Net Equity (TNE)			\$	-11,807,000
6.	Required Tangible Net Equity (See Below)			\$	9,005,000
7.	TNE Excess (Deficiency)			\$	-20,812,000
A.	Minimum TNE Requirement	\$	Full Service Plans	Minimum TNE Requirement	Specialized Plan
			1,000,000		50,000
B. REVENUES:					
8.	2% of the first \$150 million of annualized premium revenues	\$	3,000,000	2% of the first \$7.5 million of annualized premium revenue	\$
	Plus			Plus	
9.	1% of annualized premium revenues in excess of \$150 million	\$	769,000	1% of annualized premium revenue in excess of \$7.5 million	\$
10.	Total	\$	3,769,000	Total	\$
C. HEALTHCARE EXPENDITURES:					
11.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	8,448,000	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$
	Plus			Plus	
12.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	0	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$
	Plus			Plus	
13.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	557,000	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$
14.	Total	\$	9,005,000	Total	\$
15.	Required "TNE" - Greater of "A" "B" or "C"	\$	9,005,000	Required "TNE" - Greater of "A" "B" or "C"	\$